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Meeting convened pursuant to
article 61, paragraph 3, of
the International Natural
Rubber Agreement, 1995
Geneva, 6 February 1997

Report by the UNCTAD secretariat

1. The Secretary-General of UNCTAD, acting on behalf of the Secretary-General of the United Nations, invited, in accordance with paragraph 3 of article 61 of the International Natural Rubber Agreement, 1995, those Governments that had ratified, accepted or approved it, or had notified the depositary that they would apply it provisionally, to meet and decide whether to put the Agreement into force provisionally or definitively among themselves in whole or in part.

2. The Meeting was held in the Palais des Nations, Geneva, on 6 February 1997.

3. The following parties to the Agreement were represented at the Meeting: Austria, Belgium, Denmark, European Community, Finland, France, Germany, Greece, Indonesia, Ireland, Japan, Luxembourg, Malaysia, Netherlands, Nigeria, Spain, Sri Lanka, Sweden, Thailand, United Kingdom of Great Britain and Northern Ireland and United States of America. The following States signatories were represented: China and Italy. The following other States were also represented: Argentina, Ecuador, Philippines, Russian Federation, Singapore and Turkey. The following intergovernmental organization was represented: the Food and Agricultural Organization of the United Nations (FAO).

4. The Chairman of the Meeting was Mr. Rubens Ricupero, Secretary-General of UNCTAD.

5. The Chairman recalled that the International Natural Rubber Agreement, 1995 had not entered into force provisionally or definitively. For the Agreement to have entered into force definitively under paragraph 1 of article 61, it would have been necessary for Governments accounting for at least 80 per cent of net exports, as set out in annex A to the Agreement, and Governments accounting for at least 80 per cent of net imports, as set out in annex B of the Agreement, to have deposited their instruments of ratification, acceptance, approval or accession. For the Agreement to have entered into force provisionally under paragraph 2 of article 61, it would have been necessary, before 1 January 1997, for Governments accounting for at least 75 per cent of net exports, as set out in Annex A to the Agreement, and Governments accounting for at least 75 per cent

of net imports, as set out in annex B to the Agreement, to have deposited their instruments of ratification, acceptance or approval, or to have notified the depositary under article 60, paragraph 1 that they would apply the Agreement provisionally and assume full financial commitment to the Agreement.

6. Summarizing the action taken so far by the signatories of the Agreement, he said that five producing countries accounting for 97.3 per cent of exports as set out in annex A of the Agreement, and 15 countries accounting for 73.4 per cent of imports as set out in annex B of the Agreement, had deposited the required instrument or had given notification of provisional application to the Secretary-General of the United Nations. He noted that two countries, China and Italy, although they had signed the Agreement, had not so far deposited an instrument of ratification, acceptance or approval, or a notification of provisional application (a list is annexed to the report).

7. In the light of these developments, and acting on behalf of the Secretary-General of the United Nations, he had convened the Meeting in order that the Governments concerned could decide to put the Agreement into force provisionally or definitively among themselves in whole or in part.

8. The representative of Italy said that his country was taking the necessary steps to ratify the Agreement. The appropriate instrument would be deposited soon after ratification was completed.

9. The representative of China said that his country supported activities in the field of commodities. China had been a party to the agreements that had preceded the International Natural Rubber Agreement, 1995. His country had always supported the work of the International Natural Rubber Organization and had participated actively in its activities. His country was the third largest consumer of natural rubber. He expected the demand for natural rubber to increase as the economy of his country expanded. The positive attitude of his country towards the International Natural Rubber Agreement, 1995 had not changed. His country, which was expediting the procedure to ratify the Agreement, would continue to support the activities of the International Natural Rubber Organization.

10. The Senior Legal Officer of UNCTAD, introducing a draft decision, proposed that the Meeting should decide to put the Agreement into force provisionally and in whole as of 6 February 1997. In the past, when an international commodity agreement had been brought into force by a decision of the States concerned, it had been the practice to put the Agreement into force provisionally. This took into account the fact that the conditions for the definitive entry into force of the Agreement had not been met. The Agreement would enter into force definitively at a later date when the conditions set out in paragraph 1 of article 61 had been met, without the need to convene another meeting to take a decision to that effect. The distinction between the provisional and the definitive entry into force of the Agreement had no legal implications for the application of the Agreement or for the operation of the International Natural Rubber Organization. The decision would be binding on the countries and on the intergovernmental organization mentioned in the annex. The Agreement would enter into force for the countries and the intergovernmental organization mentioned in the annex, but any other country was entitled to become a party to the Agreement after the adoption of the decision. The Agreement would be put into force in whole, i. e. its entire text would enter into force. As from 6 February 1997, the International Natural Rubber Agreement, 1995 would be the basis for the operation of the International Natural Rubber Organization.

11. The Chairman invited the representatives concerned to indicate their concurrence with the decision to put the International Natural Rubber Agreement, 1995 into force provisionally, among themselves, in whole as from 6 February 1997.

12. The Meeting adopted the decision (annexed to the report).

13. The representative of the Executive Director of the International Natural Rubber Organization said that it was gratifying that the Meeting had decided to put the International Natural Rubber Agreement, 1995 into force as from 6 February 1997. The predecessor agreements had achieved a marked degree of price stability in the market. The agreement had worked in a balanced way between producers and consumers. The predecessor agreements had bought and sold natural rubber, and, thus, had worked to stabilize prices on both the low and the high sides. The buffer stock purchases had helped to arrest falls in rubber prices, and sales had contributed to checking steep rises in prices. Price stability was a basic element in enabling producing countries to formulate long-term national development policies. Price stability was equally important to consumers as they were assured that their manufacturing costs would not be undermined drastically by a violent upward swing in prices. The International Natural Rubber Organization, which administered the Agreement, provided an excellent forum for the exchange of views between natural rubber consumers and producers. It was evident that, over the years, a meaningful relationship had developed between exporters and importers of natural rubber, which represented a significant achievement in international commodity co-operation. The next session of the International Rubber Council, which would be held in March 1997, would appoint the principal officials of the Organization, namely the Executive Director, the Deputy Executive Director and the Buffer Stock Manager. He looked forward to the successful operation of the International Natural Rubber Agreement, 1995.

14. Closing the proceedings, the Chairman assured the International Natural Rubber Organization that it had UNCTAD's full support. He stated that he would inform the depositary of the Agreement of the decision adopted by the Meeting.

## Annex A

## Decision

The Governments of the States, and the intergovernmental organization, listed in annex I to the present decision,

Acting pursuant to article 61, paragraph 3, of the International Natural Rubber Agreement, 1995,

Having met in Geneva on 6 February 1997,

Noting that the Governments of five exporting countries, accounting for 97.329 per cent of total net exports as set out in annex A to the Agreement, and the Governments of 15 importing countries accounting for 73.484 per cent of total net imports as set out in annex B to the Agreement, and one intergovernmental organization, have deposited their instruments of ratification, acceptance or approval, or have notified the depositary that they will apply the Agreement provisionally when it enters into force,

Decide to put the International Natural Rubber Agreement, 1995, into force provisionally among themselves in whole as of 6 February 1997 up to a period of 12 months in accordance with article 61, paragraph 4, of the Agreement.

## Annex I

Austria
Belgium/Luxembourg
Denmark
European Community
Finland
France
Germany
Greece
Indonesia
Ireland
Japan
Malaysia
Netherlands
Nigeria
Spain
Sri Lanka
Sweden
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America

Annex B

**International Natural Rubber Agreement, 1995, concluded at Geneva on 17 February 1995**

| Participant | Signature | Undertaking of provisional application | Ratification, Acceptance (A) |
|---|---|---|---|
| Austria | 22 Dec 1995 | 20 Nov 1996 | |
| Belgium | 22 Dec 1995 | 26 Nov 1996 | |
| China | 17 Jul 1996 | | |
| Denmark | 22 Dec 1995 | 14 Jan 1997 | |
| European Community | 22 Dec 1995 | 18 Dec 1996 | |
| Finland | 22 Dec 1995 | 17 Jan 1997 | |
| France | 28 Dec 1995 | 1 Oct 1996 | |
| Germany | 22 Dec 1995 | 26 Nov 1996 | |
| Greece | 22 Dec 1995 | 22 Dec 1995 | |
| Indonesia | 28 Dec 1995 | | 27 Dec 1996 |
| Ireland | 22 Dec 1995 | | 31 Dec 1996 |
| Italy | 22 Dec 1995 | | |
| Japan | 19 Dec 1995 | | 19 Dec 1995 A |
| Luxembourg | 22 Dec 1995 | 26 Nov 1996 | |
| Malaysia | 27 Dec 1995 | | 24 Dec 1996 |
| Netherlands | 22 Dec 1995 | | 4 Dec 1996 A |
| Nigeria | 31 Jul 1996 | 31 Jul 1996 | |
| Spain | 21 Dec 1995 | 21 Dec 1995 | |
| Sri Lanka | 8 Dec 1995 | | 14 Jun 1996 |
| Sweden | 22 Dec 1995 | | 24 Jul 1996 |
| Thailand | 28 Dec 1995 | | 1 Apr 1996 |
| United Kingdom | 22 Dec 1995 | 6 Dec 1996 | |
| United States of America | 23 Apr 1996 | | 27 Dec 1996 |